

**SAN BERNARDINO COUNTY AIRPORTS COMMISSION MEETING
FEBRUARY 23, 2017.**

The meeting of the San Bernardino County Airports Commission was called to order at 10:04 a.m. by Commissioner Bob Cable. Meeting location: Twentynine Palms Airport, 78569 Twentynine Palms Hwy, Twentynine Palms, Ca. 92277

Commission Members Present:

Bob Cable
Jim Bagley
Larry Asmus
Ray Marquez
Mark Taylor

Commission Members Absent:

William Smith
Roy Cox

Staff Present:

James E. Jenkins, Director of Airports
Terry Stover, Assistant Director
Cyle Woodruff, Operations Manager
Agnes Cheng, Deputy County Counsel
Nicole Leyden, Secretary I

Department of Airports
Department of Airports
Department of Airports
County Counsel
Department of Airports

Visitors Present:

Deana Olivares-Lambert
Bob Velker
Joe Matoush

The 20/20 Network
Chino Development League
Twentynine Palms Airport Tenant

Pledge of Allegiance

Led by Commissioner Cable.

Report on Posting of Agenda:

Mr. Stover stated that the agenda had been posted.

Awards, Guest Introductions and Announcements:

Guests introduced themselves.

Mr. Jenkins informed us that the Fiscal Assistant for the Department of Airports, Richard Torres, has accepted a promotion with Real Estate Services Department, which leaves us with a vacancy. This is an entry level position so we should be able to find someone to fill that slot easily. We will be recruiting for this position in the next 30 days or so.

Mr. Jenkins pointed out that the commission meeting is calendared next month for Needles Airport, but there are no facilities there right now due to the microburst. He suggested to have the next meeting at Apple Valley Airport instead.

The commission agreed to change the location of the next meeting to Apple Valley Airport.

Action Item - Approval of Commission Meeting Minutes

A motion was carried by Commissioner Taylor seconded by Commissioner Asmus and passed to approve the commission meeting minutes from January 26, 2017.

Commissioner Reports/Comments

Commissioner Taylor recommended the café at Apple Valley Airport to everyone, commenting

that it is great and reasonably priced.

Mr. Stover added that the café's hours of operation are 8AM to 3PM Tuesday through Sunday, only being closed on Mondays.

Commissioner Taylor then asked if Apple Valley Airport will be doing hangar inspections.

Mr. Stover responded by saying that we will be doing inspections there. They were first started at Chino a year ago and it will be an ongoing annual thing.

Letters were sent to county tenants in T-hangars notifying them of the upcoming inspections in March. The tenants are given the option to schedule the inspection at their convenience or choose not to be present, giving us permission to go into their hangar without them. We are looking for lease compliance and checking that we have the correct aircraft on file. They are allowed to have other items in the hangar and we will make note of it and take photos. If the tenant doesn't have an aircraft in their hangar or proof of building one then we will give them 60-90 days to become compliant or they will receive a vacate notice. In a year from now we will start inspections on the leases that we have, including Chalk II and law enforcement and then the following year we will do inspections on port-a-ports.

We have already started the process of terminating permits with a few tenants that we know are not in compliance.

Commissioner Asmus said that Mr Matoush suggested the pilot's log be read. Commissioner Asmus said that it was definitely worth reading and that several of the comments stated that having fuel at Twentynine Palms Airport was very important. There were a lot of entries from the glider pilots also. He shared that it might be a good idea to read the pilot's log at other airports as well.

Commissioner Asmus also commented that when we have a meeting at an airport with a restaurant that we can hopefully get refreshments for the meeting from that restaurant.

Public Comments

Mr. Velker thanked the Department of Airports for repairing the taxiway ramp that he described at the last meeting. He also thanked Real Estate Services for getting the S.O.P. out for the next phase of development at Eagles Nest.

Mr. Matoush pointed out his concern about the east ramp at Twentynine Palms Airport. He said that it has very large cracks.

Mr. Stover pointed out that we have an ongoing project with crack sealing. He explained that staff had put pea gravel in some of the larger cracks in preparation in putting down the crack filling material and are currently working their way around the airport. We have 2 machines that make their way around to all of our airports as staffing allows.

Information Item: Brief on recent Conferences / Meetings

- SWAAAE January 29 – February 1, 2017, Monterey, Ca.
- IEAM – (Inland Empire Airport Managers) – February 14, 2017, Planes of Fame, Chino Airport

Mr. Woodruff briefed us on the SWAAAE Conference. He said that there are some great sessions. You get really good representation from the FAA and other airports in the southwest district and also good vendors. In one of the key sessions they were briefed on the new hangar policy effective July 1 this year.

Mr. Woodruff also spoke about the IEAM. He said that the last meeting was held at the Planes of Fame Museum in Chino. There was representation from Big Bear Airport, San Bernardino

International, Flabob, and Redlands. There was a representative from the Air Tanker Base from San Bernardino International who gave a presentation on their operations. They also had discussions on land use on airports, managing for federal grants, and hangar inspections.

Information Item: Planning Commission Hearing

- The Planning Commission Hearing has changed from March 9, 2017 to March 23, 2017. The Land Use Services Department is requesting the attendance of two Airport Commissioners.

Commissioner Asmus spoke about the Planning Commission and asked if there is a way to avoid the conflict of meetings by scheduling our meetings around theirs.

Mr. Jenkins informed us that the commissioner's involvement in that meeting is very infrequent so it would be more beneficial for them to accommodate us.

Commissioner Taylor agreed that we should not reschedule our meetings.

Commissioner Marquez looked up the dates of the Planning Commission meetings. He informed us that there are 7 months where they are held on the first and third Thursday, then there are 3 months where it is on the second and fourth Thursday, one month it's the third and fifth, and lastly in December it is on the second Thursday. Commissioner Marquez stated that since they rotate their meeting dates then they should be able to work with us.

Director's Reports

Capital Improvement Program

Mr. Jenkins explained that the Capital Improvement meetings are now scheduled for the day before the commission meetings. This includes Real Estate Services, Project Management Division, and Department of Airports. They also have periodic participation from the Deputy Executive Officer's office. They spoke about their full scope of range of projects. Greg Hallady assigned to us by Project Management Division is no longer with the county. His supervisor Joel Garnica attended yesterday. We went down our whole list of projects letting him know what our intent was on moving forward on those projects. All projects are assigned a number by the county and they may or may not be advancing on a certain project depending on such things as where we are with the federal grant process or what our ability is to pay if it's not grant eligible. We have about 30 projects listed. We went through the whole list to talk about where they are. There are two that are high priority. The first one is the grant project for Chino, also known as the northwest ramp and hotspots. We are waiting for our disadvantaged business enterprise program to be developed so the board can consider it for adoption, then we can move on to bidding our project out at Chino. The second project is the storm water conveyance system on Kimball Ave. It takes water from the north side of the airport to south of Kimball Ave. and into a storm water conveyance system that's managed by the City of Chino. At this point there is no developed conveyance system for that storm water.

Board of Supervisors Activity

The Planes of Fame Airshow 2017 was brought before the Board of Supervisors for approval. Mr. Jenkins pointed out that this is the first time we assessed a fee for the Planes of Fame Airshow. The Department of Airports have some expenses due to the airshow every year and we want to re-coop those expenses. The Board approved a base fee of \$8,500 that has been attached to that event plus 20% of net income earned in excess of \$325,000.

Real Estate

Mr. Jenkins shared that we have a solicitation of proposal that was published at the beginning of

the week for Chino Airport. It is for a 5 acre parcel that the airport has along Merrill Ave. east of Cal Aero Dr. Celso Palofox has a 3 acre parcel that he would like to join with it to make an 8 acre development. We have a number of people come and request the paperwork so we are expecting a high number of people to participate in the solicitation process. Also, this commission will be engaged to participate in that process of selecting those that we want to advance forward for consideration by the Board of Supervisors.

Financial Report

Mr. Jenkins stated that we are at 63% through the year. We have expended 49% and we've earned 69%. We are trying to conserve our money. We are having to fund the ground water plume in Chino while waiting for insurance reimbursement. Also, in the last 9 months those insurance payments have been extremely slow. We have curbed our expenses to a minimal level this year so we can continue to fund the expenses for the plume matter. We are under order to do so by the state of California so we have to follow the work plan stipulation. Last year we spent 1.5 million dollars on it. We received about 1.2 million in insurance reimbursement. The delta is a major cost and at this point may not be eligible for reimbursement. Some of it is our legal expenses relative to our internal counsel expenses. County Counsel represents us and the insurance company has said that they are an internal expense and therefore will not reimburse us for that. We put those expenses aside and at some point near term we will be going back to the insurance company to settle all the costs and we will be arguing that the expenses that we have for internal county counsel are eligible and we should recover them. If not 100% then for some of it.

Looking at the individual airports the outlying facilities don't earn much revenue. Since they are part of the system we try to keep their expenses low, but sometimes there are anomalies that we have to be responsible for. In Needles we spent 128% of their expense line and yet we are on target with revenue at 68%. The 128% has to do with the microburst which occurred there and all the expenses that we had to incur to make the facility whole. We will receive some of those monies back.

At Twentynine Palms we are at 75% of our expenses at only 63% of the year, so we are a little out of balance. We put a roof structure on a building which we didn't budget for. We also had expenses for housing the staff to work on the structure. We will be finishing up next week, though and running the roof up to the peak to prevent future leaks. We will also do the mitigation on the moisture and repairs on the ceiling. Unfortunately, this is not eligible for an insurance reimbursement because we have a \$25,000 insurance deductible.

Monthly Report

Mr. Stover shared that on February 8th the Department of Airports conducted interviews for Maintenance Worker I for Apple Valley Airport. A selection was made and the individual accepted the position, although a projected start date has not been given yet.

On February 15th part of our department attended CPR training and some attended on the 22nd. Mr. Stover feels that in our line of work it is important that our employees are CPR trained due to the fact that they respond to a variety of situations that happen on the airport.

Mr. Jenkins explained that our airports do not have AED's. He said that the County Risk Management Department has done an assessment on county facilities, though. They decided that our Administrative office in San Bernardino have one because it has a lot of public traffic in and out of the building. Places with high traffic and large concentrations of public were allocated AED's.

Mr. Stover shared that he attended a hangar door wind-lock pre-bid conference. Some of our county owned T-hangars have wind-locks at the ends of the doors to assist in high wind to keep the doors from coming up too fast and causing damage or injury. He said that we are now waiting for the results of the bids. We will be sending out a letter to our T-hangar tenants once we get a schedule. We will need the tenants to move either their belongings or their aircraft out of the way

because some welding will be required and running electrical from one side to the other. This is because we are also going to add safety switches to these hangar door locks to prevent damage of the door and lock.

Mr. Stover met with Terry Hansan from the Twentynine Palms USMC base. Mr. Hansan is involved in the expansion of their area towards the west, towards Johnson Valley. He dropped off some pamphlets, but had nothing new to report. He just happened to be in the area at the time.

Mr. Stover informed us that there was some filming done at Barstow-Daggett Airport the previous week. It was a Mountain Dew commercial. They brought out a C-130 and they filmed in the air as they parachuted out of it. In Hollywood they filmed the other part of the commercial, which they will combine with it.

Mr. Stover mentioned again about the roofing project in Twentynine Palms. Also, there were issues with the credit card reader for the fuel. Staff came out and were able to fix it by opening it up and cleaning out dirt and debris.

Mr. Matoush mentioned that it would be helpful to have shelter over the credit card reader to prevent the wind from blowing debris into it.

Mr. Stover explained that the beacon at Twentynine Palms Airport was not functioning. Staff came out to replace the motor, but unfortunately it didn't last through the night. Staff will return next week to finish the repairs by replacing the brushes.

Mr. Jenkins added that the beacons at all our airports are standardized now, so an extra one was purchased. Now if one is not operating we are able to do a change out right away giving time to make repairs on the non-operating one.

Commissioner Bagley requested lighting on the tetrahedron at Twentynine Palms Airport.

Mr. Woodruff shared his monthly report. He attended some training sessions put on by Human Resources in addition to the CPR training.

Mr. Woodruff informed us that Building A230 is nearing completion. The whole length of the south side of the building had fascia that had deteriorated. They had a contractor come out to install new fascia, but during the bid walk it was noticed that it was in need of some roofing repairs also.

Mr. Jenkins stated that we are working on a matter that could become high profile and he wanted the commission to be aware of the situation. Yancey Enterprises is a business that relocated from the closed Rialto Airport. They executed a lease agreement with the Department of Airports in 2014. They have been working with Rialto to be relocated from there to Chino and they have been paying us, so that is not the issue for possible default. It's the fact that the facility is not being utilized at all. Since it is not being utilized for any purpose, then it is not being utilized for aeronautical/aviation purpose. They have been put on notice. We have been cordial as they try to get their agreement situated with the city of Rialto, but we are not a party to that and our agreement is with the Yancey's. This means that the Yancey's have to be able to occupy the facility and undertake tenant improvement, making certain improvements to those facilities. They agreed through participation in the solicitation process to do certain improvements and that was how they were selected to occupy those facilities. It was based on what they agreed to do. We've seen what they have submitted as a plan set to the city of Chino and they're meeting their written proposal relative to what they will do in our facility. One is to provide a fire suppression system, which is criteria that they have met. We've given them a date that they need to perform certain diligence to the Department of Airports or else we will proceed with the default. If so it will not be a financial default, but a performance default.

Chino Airport Operations

Mr. Jenkins pointed out that we've been cyclic. We are up just shy of 7,000 operations for the close of 2016 versus 2015. We believe that we will be on an uptick again for 2017, although industry indicates that we are probably going to go flat in the next 2 years. We are hovering around 175,000 operations, but we may see another uptick because we are entertaining a few business prospects that could bring additional operational counts to the airport. The potential development that the Palofox group intends to do could bring additional flight activity. Also, based on some of the people who are inquiring about becoming a tenant, if they are successful in their presentation and developing those facilities that will increase the counts too.

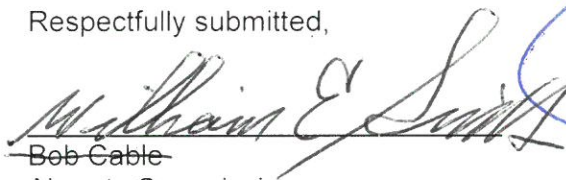
The horizon on fuel flow, operational count and occupancy is solid right now. We expect to continue to do well. We have a little bit of excess cash due to the completion of paying off the bond for the commercial hangar complex and now we can divert some of those monies to do some of the deferred maintenance that had built up over that 6 year period of time.

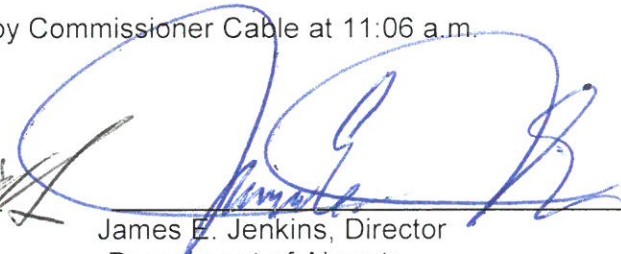
Date, Time and Place of Next Meeting

The next meeting will be held on Thursday, March 23, 2017 at 10:00 a.m. at Apple Valley Airport, 21600 Corwin Rd. Apple Valley, Ca. 92307

Adjournment: Meeting adjourned by Commissioner Cable at 11:06 a.m.

Respectfully submitted,


Bob Cable
Airports Commission
William Smith


James E. Jenkins, Director
Department of Airports


Nicole Leyden, Secretary I
Department of Airports